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Attorneys for Plaintiff

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

MAULIK SHAH, CESAR
GONZALEZ, DANIEL DE LA
CRUZ, JONATHAN
DUNNINGHAM, JOSEPH
GIBBONS, KYLE YOUNG, MIKE
PIDGEON, DANIEL FRENCH,
PAUL MCDUGALL, JOHN
HUANG, WILLIE ROBINSON,
SHERUNA MARTIN, CHRISTIAN
GRACIA, SHANE STEWART,
NATALEE HUDSON, GARSY
ALTIDOR, NICOLE WILSON, IRIS
RICHARDS, JOSHUA KANE,
JOSHUA HORN, CADENCE
MILLER, JOSH INTAGLIATA,
ANDRES AGUILAR, BEN BRODY,
ANTHONY LONGO, PARITOSH
SAURAV, CODY WHITE, COLLIN

CLASS ACTION COMPLAINT

Case No.

**COMPLAINT FOR DECLARATORY
RELIEF AND DAMEGES FOR:**

(1) BREACH OF CONTRACT;
(2) NEGLIGENCE;
(3) BREACH OF FIDUCIARY DUTY;
(4) BREACH OF DUTY OF GOOD FAITH
AND FAIR DEALING
(5) BREACH OF EXPRESS AND IMPLIED
WARRANTIES

DEMAND FOR JURY TRIAL

1 THOMAS, ERIC LAKE, STEVE
2 PIEGARI, RAED WARRAD,
3 WILLIAM HALPERN, JERRY
4 LYKINS, PATRICK ONIMOLE,
5 MARIAH MCKINNON, MARIO
6 BECKLES, SHANNON SMITH,
7 SETH MCGOWAN, ZACHARY
8 KUHLE, CHAYANNE RIVERA,
9 ROAH JOHNSON, ERIC
10 WILLIAMS, TAUFIQUE
11 CHOWDHURY, JORDAN ROBERT,
12 APRIL BILEYEU, JENNIFER
13 ELLISON, JOHN FRY, COREY
14 UTECHT, ANDREW SCHAFER,
15 EMAD ELSHA, DAVID GRAHAM,
16 JAMES CODERRE, VINCENT
17 CZACHOWSKI, JAMES BEARD,
18 BRENDON WHITE, BRYAN LEIST,
19 RICHARD RYAN, JEFFREY
20 FRANK, JUSTIN FREDERICKS,
21 SHAYNE SILVA, EVAN
22 HENDERSON, SABASTIAN
23 JONES, YADHAV SUBEDI, RYAN
24 BELKNAP, RYAN KOONTZ, JOHN
25 YAKUSH, ROBERT LEE, DAVID
26 HEDGECOCK, NATASHA
27 MCLAURIN AND TIMOTHY
28 SWANBECK,

Plaintiff,

vs.

ROBINHOOD FINANCIAL LLC,
ROBINHOOD SECURITIES, LLC,
ROBINHOOD MARKETS, INC.,
and DOES 1-50,

Defendants.

I. PLAINTIFF'S ORIGINAL CLASS ACTION COMPLAINT

COME NOW the Plaintiffs MAULIK SHAH, CESAR GONZALEZ, DANIEL DE LA CRUZ, JONATHAN DUNNINGHAM, JOSEPH GIBBONS, KYLE YOUNG, MIKE PIDGEON, DANIEL FRENCH, PAUL MCDUGALL, JOHN HUANG, WILLIE ROBINSON, SHERUNA MARTIN, CHRISTIAN GRACIA, SHANE STEWART, NATALEE HUDSON, GARSY ALTIDOR, NICOLE WILSON, IRIS RICHARDS, JOSHUA KANE, JOSHUA HORN, CADENCE MILLER, JOSH INTAGLIATA, ANDRES AGUILAR, BEN BRODY, ANTHONY LONGO, PARITOSH SAURAV, CODY WHITE, COLLIN THOMAS, ERIC LAKE, STEVE PIEGARI, RAED WARRAD, WILLIAM HALPERN, JERRY LYKINS, PATRICK ONIMOLE, MARIAH MCKINNON, MARIO BECKLES, SHANNON SMITH, SETH MCGOWAN, ZACHARY KUHLE, CHAYANNE RIVERA, ROAH JOHNSON, ERIC WILLIAMS, TAUFIQUE CHOWDHURY, JORDAN ROBERT, APRIL BILEYEU, JENNIFER ELLISON, JOHN FRY, COREY UTECHT, ANDREW SCHAFER, EMAD ELSHA, DAVID GRAHAM, JAMES CODERRE, VINCENT CZACHOWSKI, JAMES BEARD, BRENDON WHITE, BRYAN LEIST, RICHARD RYAN, JEFFREY FRANK, JUSTIN FREDERICKS, SHAYNE SILVA, EVAN HENDERSON, SABASTIAN JONES, YADHAV SUBEDI, RYAN BELKNAP, RYAN KOONTZ, JOHN YAKUSH, ROBERT LEE, DAVID HEDGECK, NATASHA MCLAURIN AND TIMOTHY SWANBECK file this Complaint seeking judgment against Defendants ROBINHOOD FINANCIAL LLC, a Delaware corporation; ROBINHOOD SECURITIES, LLC, a Delaware corporation;

1 ROBINHOOD MARKETS, INC., a Delaware corporation, and DOES 1- 50, inclusive,
2 (hereinafter collectively referred to as “Defendants” or “Robinhood”) for damages
3 resulting from Robinhood’s purposefully, willfully, and knowingly restricting access to
4 the open markets in publicly available securities, and thereby depriving retail investors
5 from investing additional monies into the market through these securities, and openly
6 manipulating the open market to the detriment of all Plaintiffs and the market at large
7 by restricting purchase—without universal restrictions across the market by
8 regulators—of this non-exhaustive list of tickers \$AAL, \$AMC, \$BB, \$BBY, \$CTRM,
9 \$EXPR, \$GME, \$KOSS, \$NAKD, \$NOK, \$SNDL, \$TR, and \$TRVG (“Restricted
10 Tickers”) and respectfully allege follows:
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15 **II. NATURE OF THE ACTION**

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17 1. Robinhood is a multibillion-dollar mobile application and website
18 investment service that places stock trade orders on behalf of users like Plaintiff and
19 Class members. Robinhood targets young adults who are new to investing through
20 youth-forward marketing and a video game-like interface and misleads them into
21 using Robinhood by promising “commission free” and “discounted” trading services
22 and assuring them in its Customer Agreements that all of Robinhood’s transactions
23 will be subject to federal and state securities laws. Robinhood has been wildly
24 successful, roping in not only young investors but also novice investors of all ages.
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27 2. In the early morning hours of January 28, 2021, in the midst of an
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1 unprecedented rise in the per share value of the Restricted Tickers, Robinhood
2 without providing prior notice to its users or the market at large restricted solely on
3 its platform the purchase of the Restricted Tickers. Robinhood, did however allow its
4 users to “close their positions.” Closing positions, given the suffocation of additional
5 purchases through the Robinhood app would be dubious as the price per share of the
6 Restricted Tickers plummeted.
7

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9 3. Robinhood’s claim is that their mission is to “democratize finance for
10 all.” And that they were restricting transactions for certain securities to position
11 closing only on the Restricted Tickers. Further, they remain committed to the same
12 restriction. On January 29, 2021, rather than lift the restrictions in their entirety
13 Robinhood implemented “capped restrictions.” Robinhood allowed the trades of
14 Restricted tickers but limited the total number of shares that each account would be
15 able to hold. They set aggregate limits for each of the Restricted Tickers to the tune
16 of the following: \$AAL (55 shares), \$AMC (115 shares), \$BB (65 shares), \$BBBY
17 (30 shares), \$CTRM (1650 shares), \$EXPR (200 shares), \$GME (5 shares), \$KOSS
18 (25 shares), \$NAKD (750 shares), \$NOK (110 shares), \$SNDL (1200 shares), \$TR
19 (25 shares), and \$TRVG (400 shares).
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24 4. In the early afternoon on the same day Robinhood again pulled the rug
25 out from under its account holders by further restricting some of the Restricted
26 Tickers: \$AMC (25 shares), \$BB (25 shares), \$GME (2 shares), \$KOSS (10
27 shares), \$NAKD (300 shares), and \$NOK (50). Coincidentally, these are the stock
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1 tickers that were increasing during trading on January 29, 2021.

2 5. By late afternoon, January 29, 2021, there were reports that Robinhood
3 has even further restricted \$AMC (10 shares) and \$GME (1 share). And extended
4 restrictions to other retail stocks like \$WKHS without prior notice. Additionally,
5 \$WKHS a retail stock that was not a part of the momentous rise of the Restricted
6 Tickers was also restricted, and such restriction caused losses. Finally, towards the
7 end of the trading day and through the after-hours market, Robinhood restricted many
8 of the Restricted Tickers and others to 1 share per account (\$AMC, \$BB, \$BBY,
9 \$GME, \$KOSS) and other retail tickers to 5 shares.
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12 6. The conduct of Robinhood and DOES 1-50 violated their obligations
13 under relevant federal and state law, including California law. Specifically,
14 Robinhood's acts and omissions breached Robinhood's agreements with Plaintiffs and
15 Class Plaintiffs, fiduciary duty to Plaintiffs and Class Plaintiffs, committed fraud,
16 breaches of express and implied warranties.
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20 **III. JURISDICTION AND VENUE**

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22 7. This Court has original jurisdiction pursuant to the Class Action Fairness
23 Act, 28 U.S.C. § 1332(d)(2)(a), because the amount in controversy, exclusive of
24 interest and costs, exceeds the sum or value of \$5,000,000.00 and this is a class action
25 in which there are numerous Class members who are citizens of states different from
26 Defendants.
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1 8. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this
2 action because a substantial part of the events, omissions, and acts giving rise to the
3 claims herein occurred in this District where Robinhood, distributed, marketed,
4 advertised, and sold the trading services which are the subject of the present
5 complaint. Finally, venue is appropriate in this District pursuant to 28 USC §
6 1391(b)(2) because a substantial part of the acts and omissions that gave rise to this
7 Complaint occurred or emanated from this District.
8

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10 9. This Court has personal jurisdiction over Robinhood because it is
11 authorized to do business and does conduct business in California, and because it has
12 specifically marketed, advertised, and made substantial sales in California, and has
13 sufficient minimum contacts with this state and/or sufficiently avails itself of the
14 markets of this state through its promotion, sales, and marketing within this state to
15 render the exercise of jurisdiction by this Court permissible.
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18 **IV. PARTIES**

19
20 10. Plaintiff Maulik Shah resides in and is a citizen of Foster City, California.
21 He is an active trader that uses the Robinhood platform to access the markets. On or
22 around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.
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27 11. Plaintiff Cesar Gonzalez resides in and is a citizen of Sparks, Nevada. He
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1 is an active trader that uses the Robinhood platform to access the markets. On or around
2 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
3 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
4 place by Robinhood.
5

6 12. Plaintiff Daniel De La Cruz resides in and is a citizen of Tucson,
7 Arizona. He is an active trader that uses the Robinhood platform. On or around January
8 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or more of
9 the Restricted Tickers. He was unable to do so because of the restrictions put in place by
10 Robinhood.
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13 13. Plaintiff Jonathan Dunningham resides in and is a citizen of Glenside,
14 Pennsylvania. He is an active trader that uses the Robinhood platform to access the
15 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
16 services to purchase one or more of the Restricted Tickers. He was unable to do so
17 because of the restrictions put in place by Robinhood.
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20 14. Plaintiff Joseph Gibbons resides in and is a citizen of Midlothian, Texas.
21 He is an active trader that uses the Robinhood platform to access the markets. On or
22 around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.
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27 15. Plaintiff Kyle Young resides in and is a citizen of Fredericksburg,
28 Virginia. He is an active trader that uses the Robinhood platform to access the markets.

1 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
2 purchase one or more of the Restricted Tickers. He was unable to do so because of the
3 restrictions put in place by Robinhood.
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5 16. Plaintiff Mike Pidgeon resides in and is a citizen of Williamstown, New
6 Jersey. He is an active trader that uses the Robinhood platform to access the markets.
7 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
8 purchase one or more of the Restricted Tickers. He was unable to do so because of the
9 restrictions put in place by Robinhood.
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12 17. Plaintiff Daniel French resides in and is a citizen of Midland, Michigan.
13 He is an active trader that uses the Robinhood platform to access the markets. On or
14 around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
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19 18. Plaintiff Paul McDougall resides in and is a citizen of Lacey, Washington.
20 He is an active trader that uses the Robinhood platform to access the markets. On or
21 around January 28, 2021, Plaintiff logged into the app for brokerage services to
22 purchase one or more of the Restricted Tickers. He was unable to do so because of the
23 restrictions put in place by Robinhood.
24

25 19. Plaintiff John Huang resides in and is a citizen of College Point, New
26 York. She is an active trader that uses the Robinhood platform to access the markets.
27 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
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1 purchase one or more of the Restricted Tickers. He was unable to do so because of the
2 restrictions put in place by Robinhood.
3

4 20. Plaintiff Willie Robinson resides in and is a citizen of Merriam, Kansas.
5 He is an active trader that uses the Robinhood platform to access the markets. On or
6 around January 28, 2021, Plaintiff logged into the app for brokerage services to
7 purchase one or more of the Restricted Tickers. He was unable to do so because of the
8 restrictions put in place by Robinhood.
9

10 21. Plaintiff Sheruna Martin resides in and is a citizen of Winter Garden,
11 Florida. He is an active trader that uses the Robinhood platform to access the markets.
12 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
13 purchase one or more of the Restricted Tickers. He was unable to do so because of the
14 restrictions put in place by Robinhood.
15

16 22. Plaintiff Christian Gracia resides in and is a citizen of Providence, Rhode
17 Island. He is an active trader that uses the Robinhood platform to access the markets.
18 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.
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22 23. Plaintiff Shane Stewart resides in and is a citizen of Moncks Corner, South
23 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
24 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
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1 restrictions put in place by Robinhood.

2 24. Plaintiff Natalee Hudson resides in and is a citizen of Albuquerque, New
3 Mexico. She is an active trader that uses the Robinhood platform to access the markets.
4 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
5 purchase one or more of the Restricted Tickers. He was unable to do so because of the
6 restrictions put in place by Robinhood.
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9 25. Plaintiff Garsy Altidor resides in and is a citizen of Atlanta, Georgia. He is
10 an active trader that uses the Robinhood platform to access the markets. On or around
11 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
12 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
13 place by Robinhood.
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16 26. Plaintiff Nicole Wilson resides in and is a citizen of Daphne, Alabama.
17 She is an active trader that uses the Robinhood platform to access the markets. On or
18 around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.
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23 27. Plaintiff Iris Richards resides in and is a citizen of Thonotosassa, Florida.
24 She is an active trader that uses the Robinhood platform to access the markets. On or
25 around January 28, 2021, Plaintiff logged into the app for brokerage services to
26 purchase one or more of the Restricted Tickers. He was unable to do so because of the
27 restrictions put in place by Robinhood.
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1 28. Plaintiff Joshua Kane resides in and is a citizen of Lexington, South
2 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
3 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
4 purchase one or more of the Restricted Tickers. He was unable to do so because of the
5 restrictions put in place by Robinhood.
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8 29. Plaintiff Joshua Horn resides in and is a citizen of Indianapolis, Indiana.
9 He is an active trader that uses the Robinhood platform to access the markets. On or
10 around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
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15 30. Plaintiff Cadence Miller resides in and is a citizen of Amarillo, Texas. He
16 is an active trader that uses the Robinhood platform to access the markets. On or around
17 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
18 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
19 place by Robinhood.
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21 31. Plaintiff Josh Intagliata resides in and is a citizen of Avon Lake, Alabama.
22 He is an active trader that uses the Robinhood platform to access the markets. On or
23 around January 28, 2021, Plaintiff logged into the app for brokerage services to
24 purchase one or more of the Restricted Tickers. He was unable to do so because of the
25 restrictions put in place by Robinhood.
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28 32. Plaintiff Andres Aguilar resides in and is a citizen of Dublin, Ohio. He is

1 an active trader that uses the Robinhood platform to access the markets. On or around
2 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
3 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
4 place by Robinhood.
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6 33. Plaintiff Ben Brody resides in and is a citizen of Baltimore, Maryland. He
7 is an active trader that uses the Robinhood platform to access the markets. On or around
8 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
9 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
10 place by Robinhood.
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13 34. Plaintiff Anthony Longo resides in and is a citizen of Liverpool, New
14 York. He is an active trader that uses the Robinhood platform to access the markets. On
15 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
16 purchase one or more of the Restricted Tickers. He was unable to do so because of the
17 restrictions put in place by Robinhood.
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20 35. Plaintiff Paritosh Saurav resides in and is a citizen of Lake Forrest Park,
21 Washington. He is an active trader that uses the Robinhood platform to access the
22 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
23 services to purchase one or more of the Restricted Tickers. He was unable to do so
24 because of the restrictions put in place by Robinhood.
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27 36. Plaintiff Cody White resides in and is a citizen of Grand Prairie, Texas. He
28 is an active trader that uses the Robinhood platform to access the markets. On or around

1 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
2 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
3 place by Robinhood.
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5 37. Plaintiff Collin Thomas resides in and is a citizen of Sanford, Florida. He
6 is an active trader that uses the Robinhood platform to access the markets. On or around
7 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
8 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
9 place by Robinhood.
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12 38. Plaintiff Eric Lake resides in and is a citizen of Sarasota, Florida. He is an
13 active trader that uses the Robinhood platform to access the markets. On or around
14 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
15 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
16 place by Robinhood.
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19 39. Plaintiff Steve Piegari resides in and is a citizen of Miami, Florida. He is
20 an active trader that uses the Robinhood platform to access the markets. On or around
21 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
22 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
23 place by Robinhood.
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25 40. Plaintiff Raed Warrad resides in and is a citizen of Spring, Texas. He is an
26 active trader that uses the Robinhood platform to access the markets. On or around
27 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
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1 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
2 place by Robinhood.
3

4 41. Plaintiff William Halpern resides in and is a citizen of Austin, Texas. He is
5 an active trader that uses the Robinhood platform to access the markets. On or around
6 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
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8 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
9 place by Robinhood.
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11 42. Plaintiff Jerry Lykins resides in and is a citizen of Wilmington, Ohio. She
12 is an active trader that uses the Robinhood platform to access the markets. On or around
13 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
14
15 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
16 place by Robinhood.
17

18 43. Plaintiff Patrick Onimole resides in and is a citizen of Conyers, Goergia.
19 He is an active trader that uses the Robinhood platform to access the markets. On or
20 around January 28, 2021, Plaintiff logged into the app for brokerage services to
21 purchase one or more of the Restricted Tickers. He was unable to do so because of the
22 restrictions put in place by Robinhood.
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24 44. Plaintiff Mariah McKinnon resides in and is a citizen of Columbia, South
25 Carolina. She is an active trader that uses the Robinhood platform to access the
26 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
27 services to purchase one or more of the Restricted Tickers. He was unable to do so
28

1 because of the restrictions put in place by Robinhood.

2 45. Plaintiff Mario Beckles resides in and is a citizen of Phenix City, Alabama.
3
4 He is an active trader that uses the Robinhood platform to access the markets. On or
5 around January 28, 2021, Plaintiff logged into the app for brokerage services to
6 purchase one or more of the Restricted Tickers. He was unable to do so because of the
7 restrictions put in place by Robinhood.
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9 46. Plaintiff Shannon Smith resides in and is a citizen of Chicago, Illinois. He
10 is an active trader that uses the Robinhood platform to access the markets. On or around
11 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
12 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
13 place by Robinhood.
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16 47. Plaintiff Seth McGowan resides in and is a citizen of Kingman, Arizona.
17 He is an active trader that uses the Robinhood platform to access the markets. On or
18 around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.
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23 48. Plaintiff Zachary Kuhle resides in and is a citizen of Millsboro, Delaware.
24 He is an active trader that uses the Robinhood platform to access the markets. On or
25 around January 28, 2021, Plaintiff logged into the app for brokerage services to
26 purchase one or more of the Restricted Tickers. He was unable to do so because of the
27 restrictions put in place by Robinhood.
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1 49. Plaintiff Chayanne Rivera resides in and is a citizen of Jacksonville Beach,
2 Florida. He is an active trader that uses the Robinhood platform to access the markets.
3 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
4 purchase one or more of the Restricted Tickers. He was unable to do so because of the
5 restrictions put in place by Robinhood.
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7
8 50. Plaintiff Roah Johnson resides in and is a citizen of Charlotte, North
9 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
10 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
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15 51. Plaintiff Eric Williams resides in and is a citizen of Chicago, Illinois. He is
16 an active trader that uses the Robinhood platform to access the markets. On or around
17 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
18 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
19 place by Robinhood.
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21 52. Plaintiff Taufique Chowdhury resides in and is a citizen of Minneapolis,
22 Minnesota. He is an active trader that uses the Robinhood platform to access the
23 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
24 services to purchase one or more of the Restricted Tickers. He was unable to do so
25 because of the restrictions put in place by Robinhood.
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28 53. Plaintiff Jordan Robert resides in and is a citizen of Warren, Pennsylvania.

1 He is an active trader that uses the Robinhood platform to access the markets. On or
2 around January 28, 2021, Plaintiff logged into the app for brokerage services to
3 purchase one or more of the Restricted Tickers. He was unable to do so because of the
4 restrictions put in place by Robinhood.
5

6 54. Plaintiff April Bileyeu resides in and is a citizen of White Hall, Arkansas.
7 She is an active trader that uses the Robinhood platform to access the markets. On or
8 around January 28, 2021, Plaintiff logged into the app for brokerage services to
9 purchase one or more of the Restricted Tickers. He was unable to do so because of the
10 restrictions put in place by Robinhood.
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13 55. Plaintiff Jennifer Ellison resides in and is a citizen of Augusta, Georgia.
14 She is an active trader that uses the Robinhood platform to access the markets. On or
15 around January 28, 2021, Plaintiff logged into the app for brokerage services to
16 purchase one or more of the Restricted Tickers. He was unable to do so because of the
17 restrictions put in place by Robinhood.
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20 56. Plaintiff John Fry resides in and is a citizen of Seattle, Washington. He is
21 an active trader that uses the Robinhood platform to access the markets. On or around
22 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
23 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
24 place by Robinhood.
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27 57. Plaintiff Corey Utecht resides in and is a citizen of Saint Paul, Minnesota .
28 He is an active trader that uses the Robinhood platform to access the markets. On or

1 around January 28, 2021, Plaintiff logged into the app for brokerage services to
2 purchase one or more of the Restricted Tickers. He was unable to do so because of the
3 restrictions put in place by Robinhood.
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5 58. Plaintiff Andrew Schafer resides in and is a citizen of Midland, Texas. He
6 is an active trader that uses the Robinhood platform to access the markets. On or around
7 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
8 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
9 place by Robinhood.
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12 59. Plaintiff Emad Elsha resides in and is a citizen of Sterling Heights,
13 Minnesota. He is an active trader that uses the Robinhood platform to access the
14 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
15 services to purchase one or more of the Restricted Tickers. He was unable to do so
16 because of the restrictions put in place by Robinhood.
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19 60. Plaintiff David Graham resides in and is a citizen of Fitchburg,
20 Massachusetts. He is an active trader that uses the Robinhood platform to access the
21 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
22 services to purchase one or more of the Restricted Tickers. He was unable to do so
23 because of the restrictions put in place by Robinhood.
24

25 61. Plaintiff James Coderre resides in and is a citizen of Putnam, Connecticut.
26 He is an active trader that uses the Robinhood platform to access the markets. On or
27 around January 28, 2021, Plaintiff logged into the app for brokerage services to
28

1 purchase one or more of the Restricted Tickers. He was unable to do so because of the
2 restrictions put in place by Robinhood.
3

4 62. Plaintiff Vincent Czachowski resides in and is a citizen of Pittsburgh,
5 Pennsylvania. He is an active trader that uses the Robinhood platform to access the
6 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
7 services to purchase one or more of the Restricted Tickers. He was unable to do so
8 because of the restrictions put in place by Robinhood.
9

10 63. Plaintiff James Beard resides in and is a citizen of Utica, New York. He is
11 an active trader that uses the Robinhood platform to access the markets. On or around
12 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
13 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
14 place by Robinhood.
15
16

17 64. Plaintiff Brendon White resides in and is a citizen of Frisco, Texas. He is
18 an active trader that uses the Robinhood platform to access the markets. On or around
19 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
20 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
21 place by Robinhood.
22
23

24 65. Plaintiff Bryan Leist resides in and is a citizen of San Diego, California.
25 He is an active trader that uses the Robinhood platform to access the markets. On or
26 around January 28, 2021, Plaintiff logged into the app for brokerage services to
27 purchase one or more of the Restricted Tickers. He was unable to do so because of the
28

1 restrictions put in place by Robinhood.

2 66. Plaintiff Richard Ryan resides in and is a citizen of Plantsville, Connecticut.
3
4 He is an active trader that uses the Robinhood platform to access the markets. On or
5 around January 28, 2021, Plaintiff logged into the app for brokerage services to
6 purchase one or more of the Restricted Tickers. He was unable to do so because of the
7
8 restrictions put in place by Robinhood.

9 67. Plaintiff Jeffrey Frank resides in and is a citizen of Sauk Rapids,
10 Minnesota. He is an active trader that uses the Robinhood platform to access the
11
12 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
13 services to purchase one or more of the Restricted Tickers. He was unable to do so
14
15 because of the restrictions put in place by Robinhood.

16 68. Plaintiff Justin Fredericks resides in and is a citizen of Flagstaff, Arizona.
17 He is an active trader that uses the Robinhood platform to access the markets. On or
18
19 around January 28, 2021, Plaintiff logged into the app for brokerage services to
20 purchase one or more of the Restricted Tickers. He was unable to do so because of the
21
22 restrictions put in place by Robinhood.

23 69. Plaintiff Shayne Silva resides in and is a citizen of Middle River,
24 Maryland. He is an active trader that uses the Robinhood platform to access the
25
26 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
27 services to purchase one or more of the Restricted Tickers. He was unable to do so
28
because of the restrictions put in place by Robinhood.

1 70. Plaintiff Evan Henderson resides in and is a citizen of Waynesboro,
2 Virginia. He is an active trader that uses the Robinhood platform to access the markets.
3 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
4 purchase one or more of the Restricted Tickers. He was unable to do so because of the
5 restrictions put in place by Robinhood.
6

7
8 71. Plaintiff Sabastian Jones resides in and is a citizen of Savannah, Georgia.
9 He is an active trader that uses the Robinhood platform to access the markets. On or
10 around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
13

14
15 72. Plaintiff Yadhav Subedi resides in and is a citizen of Harrisburg,
16 Pennsylvania. He is an active trader that uses the Robinhood platform to access the
17 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
18 services to purchase one or more of the Restricted Tickers. He was unable to do so
19 because of the restrictions put in place by Robinhood.
20

21 73. Plaintiff Ryan Belknap resides in and is a citizen of Rimrock, Arizona. She
22 is an active trader that uses the Robinhood platform to access the markets. On or around
23 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
24 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
25 place by Robinhood.
26
27

28 74. Plaintiff Ryan Koontz resides in and is a citizen of Santa Cruz, California.

1 He is an active trader that uses the Robinhood platform to access the markets. On or
2 around January 28, 2021, Plaintiff logged into the app for brokerage services to
3 purchase one or more of the Restricted Tickers. He was unable to do so because of the
4 restrictions put in place by Robinhood.
5

6 75. Plaintiff John Yakush resides in and is a citizen of Broken Arrow,
7 Oklahoma. She is an active trader that uses the Robinhood platform to access the
8 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
9 services to purchase one or more of the Restricted Tickers. He was unable to do so
10 because of the restrictions put in place by Robinhood.
11
12

13 76. Plaintiff Robert Lee resides in and is a citizen of Frederick, Maryland. She
14 is an active trader that uses the Robinhood platform to access the markets. On or around
15 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
16 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
17 place by Robinhood.
18
19

20 77. Plaintiff David Hedgecock resides in and is a citizen of Vancouver,
21 Washington. He is an active trader that uses the Robinhood platform to access the
22 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
23 services to purchase one or more of the Restricted Tickers. He was unable to do so
24 because of the restrictions put in place by Robinhood.
25
26

27 78. Plaintiff Natasha McLaurin resides in and is a citizen of Dallas, Texas. She
28 is an active trader that uses the Robinhood platform to access the markets. On or around

1 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
2 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
3 place by Robinhood.
4

5 79. Plaintiff Timothy Swanbeck resides in and is a citizen of Toledo, Ohio. He
6 is an active trader that uses the Robinhood platform to access the markets. On or around
7 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
8 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
9 place by Robinhood.
10
11

12 80. Defendant Robinhood Markets, Inc. is a financial service holding
13 company incorporated in Delaware with its principal place of business located at 85
14 Willow Road, Menlo Park, CA 94025. It is the holding company for Defendants
15 Robinhood Financial LLC and Robinhood Securities, LLC. Defendant Robinhood
16 Markets, Inc. is a named party to the Robinhood Terms & Conditions Agreement
17 governing Robinhood's website and mobile applications. Defendant Robinhood
18 Markets, Inc. facilitated, participated in, and communicated the acts and omissions to
19 Plaintiff and Class Members that caused the harm.
20
21

22 81. Defendant Robinhood Financial LLC is a full-service securities firm
23 incorporated in Delaware with its principal place of business located at 85 Willow
24 Road, Menlo Park, CA 94025. Defendant Robinhood Financial LLC is a wholly
25 owned subsidiary of Defendant Robinhood Markets, Inc., and an affiliate of
26 Defendant Robinhood Securities, LLC. It is an "introducing" broker-dealer, offering
27
28

1 brokerage services to retail investors and allowing customers to open online accounts
2 and electronically deposit funds. It is a named party to the Robinhood Terms &
3 Conditions Agreement governing Robinhood's website and mobile applications. It is
4 also a party to the Robinhood Customer Agreements, governing the purchase, sale, or
5 carrying of securities or contracts relating thereto and/or the borrowing of funds.
6 Defendant Robinhood Financial LLC facilitated, participated in, and communicated
7 to the Plaintiffs and Class Members the acts and omissions that led to the harm
8 alleged herein.

12 82. Defendant Robinhood Securities, LLC is a full-service securities firm
13 incorporated in Delaware with its principal place of business located at 85 Willow
14 Road, Menlo Park, CA 94025. It is a wholly owned subsidiary of Defendant
15 Robinhood Markets, Inc., and an affiliate of Defendant Robinhood Financial LLC.
16 Once a customer creates an account with Robinhood Financial LLC, Defendant
17 Robinhood Securities is the custodian of customers' funds and the securities customers
18 purchase. It services customer accounts; executes, clears, and settles customer trades;
19 prepares and distributes customer account statements and trade confirmations; and
20 extends credit to customer margin accounts. It is a party to the Robinhood Customer
21 Agreements governing the purchase, sale, or carrying of securities or contracts
22 relating thereto and/or the borrowing of funds, which transactions are cleared through
23 it. Defendant Robinhood Securities, LLC facilitated, participated in, and
24 communicated the acts and omissions that led to the harm alleged herein to Plaintiffs
25
26
27
28

1 and Class members herein.

2 83. At all times herein mentioned, there existed a unity of interest, and
3 activity in furtherance of that interest, among Robinhood and other Defendants such
4 that any individuality and separateness among them has ceased, and these Defendants
5 are the alter egos of each other with respect to operations.
6

7
8 84. The true names and capacities of those defendants designated as DOES 1-50,
9 whether individual, corporate, association or otherwise, are unknown to Plaintiffs and
10 Class Members at the time of filing this Complaint and Plaintiffs, therefore, sue said
11 defendants by such fictitious names and will ask leave of Court to amend this
12 Complaint to show their true names or capacities when the same have been
13 ascertained. Plaintiffs are informed and believe, and thereon allege, that each of the
14 DOE defendants is, in some manner, responsible for the events and happenings herein
15 set forth and proximately and/or directly caused injury and damages to Plaintiffs as
16 herein alleged.
17
18
19

20 **V. FACTUAL ALLEGATIONS**

21
22 85. Robinhood is an online brokerage firm that states its mission is to “to
23 democratize finance for all. We believe that everyone should have access to the
24 financial markets, so we’ve built Robinhood from the ground up to make investing
25
26
27
28

1 friendly, approachable, and understandable for newcomers and experts alike.”¹
2 Robinhood provides access to the markets: equities, options, and crypto currencies
3 using its web based, or smartphone-based applications.
4

5 86. As a part of its populist-based marketing and mission, Robinhood’s
6 official Twitter posted, “Let the people trade.”
7

8 87. As a part of the suite of services that Robinhood provides, it facilitates
9 buy and sell orders of securities as a broker-dealer. Robinhood also facilitates the
10 purchase of option contracts (“options”).
11

12 88. Robinhood has experienced significant growth as a relatively new online
13 brokerage firm. In 2019, Robinhood raised \$323 million in funding at a \$7.6 billion
14 valuation. The firm markets itself primarily to younger investors and claims over 10
15 million users of its trading platform.
16

17 89. On or around January 11, 2021, the stock for GameStop Corp., (“\$GME”)
18 began to rise. At that time, Robinhood allowed retail investors access to the same
19 without restriction.
20

21 90. On or around January 26, 2021, the stocks for AMC Entertainment
22 holdings, Inc., (“\$AMC”) began to rise.
23

24 91. On or around January 26, 2021, the stocks for Nokia Corporation
25 (“\$NOK”) began to rise.
26

27 ¹ <https://robinhood.com/us/en/support/articles/our-mission/>
28

1 92. On or around January 26, 2021, the stocks for Naked Brand Group Ltd.,
2 (“\$NAKD”) began to rise.
3

4 93. On or around January 26, 2021, the stocks for Blackberry Ltd., (“\$BB”)
5 began to rise.

6 94. On or around January 26, 2021, the stocks for Express, Inc., (“\$EXPR”)
7 began to rise.
8

9 95. On or around January 26, 2021, the stocks for Express, Inc., (“\$SNDL”)
10 began to rise.
11

12 96. \$GME continued to rise.

13
14 97. Upon information and belief, unbeknownst to Robinhood users and the
15 market at large, Robinhood unilaterally removed tickers from its trading platform.

16 98. This meant that retail investors could no longer purchase the rising
17 tickers, or even search for them. Robinhood did this without providing notice to its
18 users, or the market at large.
19

20 99. Upon information and belief, Robinhood’s actions were done
21 purposefully and knowingly to manipulate the market for the benefit of large
22 investors and financial intuitions who were not Robinhood’s customers, or retail
23 traders.
24

25
26 100. These unilateral and unannounced acts did several things: 1) it locked
27 Robinhood users into positions as the prices of these shares began to free fall; 2) It
28

1 prevented Robinhood users for purchasing more shares at lower prices to average
2 down their costs bases; 3) It prevented Robinhood users from shorting the stocks; and
3
4 4) It deprived the market for a large percentage of the retail market
5 buying power causing all positions to free fall.

6 101. All of Robinhood's acts were intentional and caused harm. In sum,
7 Robinhood has completely blocked retailer investors from purchasing Restricted
8 Tickers for no legitimate reason, thereby depriving retailer investors from the benefits
9 of Robinhood's services in giving access to the market.
10
11

12 102. Additionally, for many users as their money was tied up with Robinhood
13 they could not withdraw and simply trade positions on the day.
14

15 103. The Financial Industry Regulatory Authority ("FINRA"), which governs
16 brokers like Robinhood, espouses rule 5310 regarding "Best Execution and
17 Interpositioning." Rule 5310.01 requires that Robinhood "must make every effort to
18 execute a marketable customer order that it receives promptly and fully." By failing
19 to respond at all to customers' placing timely trades—and outright blocking
20 customers from trading a security—Robinhood has breached these, among other,
21 obligations and caused its customers substantial losses due solely to its own
22 negligence and failure to maintain adequate infrastructure.
23
24

25 104. On January 28, 2021, it was announced that Robinhood secured an
26
27
28

1 additional billion dollars in funding.²

2
3 **VI. CLASS ACTION ALLEGATIONS**

4
5 105. Plaintiffs seek relief on behalf of themselves and as a representative of
6 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
7 (b)(3), Plaintiffs seek certification of a Nationwide class defined as follows:
8

9 **VII. ALL PERSONS WHO USED ROBINHOOD'S BROKERAGE**
10 **SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF**
11 **THE RESTRICTION PERIOD ON THE RESTRICTED**
12 **TICKERS. (THE "ROBINHOOD CLASS").**
13

14 106. Plaintiff seeks relief on behalf of themselves and as a representative of
15 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
16 (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:
17

18 **VIII. ALL PERSONS WHO HELD SHARES OF THE**
19 **RESTRICTED TICKERS IN THEIR BROKERAGE ACCOUNTS**
20 **BETWEEN JANUARY 28, 2020 AND THE END OF SUCH**
21 **RESTRICTIONS AND SOLD SHARES OF THE RESTRICTED**
22 **TICKERS AT A LOSS. (THE "LOSS OF VALUE CLASS").**
23

24 107. Plaintiffs seek relief on behalf of themselves and as a representative of
25 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
26

27 ² <https://www.nytimes.com/2021/01/29/technology/robinhood-fundraising.html>
28

(b)(3), Plaintiff seeks certification of a Nationwide subclass defined as follows:

IX. ALL PERSONS WHO HELD SHARES OF THE RESTRICTED TICKERS IN THEIR BROKERAGE ACCOUNTS BETWEEN JANUARY 28, 2020 AND THE END OF SUCH RESTRICTIONS AND SOUGHT TO PURCHASE ADDITIONAL SHARES OF THE RESTRICTED TICKERS. (THE “LOSS OF ADDITIONAL INVESTMENT VALUE CLASS”).

108. Plaintiffs seek relief on behalf of themselves and as a representative of all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:

X. ALL PERSONS WHO USED ROBINHOOD’S BROKERAGE SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF THE RESTRICTION PERIOD ON THE RESTRICTED TICKERS THAT HELD SHARES AND SOLD AT A LOSS. (THE “SOLD AT LOSS CLASS”).

109. Additionally, or in the alternative, Plaintiffs seek relief on behalf of himself and as a representative of all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiffs seek certification of a Class defined as follows:

XI. ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF CALIFORNIA (“CALIFORNIA CLASS”).

110. Additionally, or in the alternative, Plaintiffs seek relief on behalf of

1 themselves and as a representative of all others who are similarly situated. Pursuant to
2 Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiff seeks certification of a Class defined as
3 follows:
4

5
6 **XII. ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF**
7 **CALIFORNIA WHO WERE NOT ABLE TO EXECUTE TRADES**
8 **ON THE RESTRICTED TICKERS AND OTHER SECURITIES**
9 **AFTER ROBINHOOD KNOWINGLY, WILLFULLY, AND**
10 **PURPOSEFULLY REMOVED COMPLETELY FROM THEIR**
11 **PLATFORM (“CALIFORNIA LOSS CLASS”).**
12

13 111. Excluded from the Classes are Robinhood and any of its affiliates,
14 parents, or subsidiaries; all persons who make a timely election to be excluded from
15 the Class; government entities; and the judges to whom this case is assigned, their
16 immediate families, and court staff.
17

18 112. Plaintiffs hereby reserve the right to amend or modify the Class
19 definitions with greater specificity or division after having had an opportunity to
20 conduct discovery. The proposed Classes meet the criteria for certification under
21 Rules 23(a) and (b)(3).
22

23 113. **Numerosity:** The precise number of members of the proposed Class is
24 unknown to Plaintiff at this time, but, based on information and belief, Class
25 members are so numerous that their individual joinder herein is impracticable. Based
26 on information and belief and publicly available reports, Class members number in
27
28

1 the hundreds of thousands and up to ten million. Subclass members are likely in the
2 thousands. All Class and Subclass members may be notified of the pendency of this
3 action by reference to Robinhood's records, or by other alternative means.
4

5 114. **Commonality:** Numerous questions of law or fact are common to the
6 claims of Plaintiff and members of the proposed Class. These common questions of
7 law and fact exist as to all Class members and predominate over questions affecting
8 only individual Class members. These common legal and factual questions include,
9 but are not limited to the following:
10
11

- 12 a. Did Robinhood knowingly fail to provide the financial services it agreed
13 to with its users that were needed to handle reasonable consumer
14 demand, including trading securities that are available on every other
15 competitive trading platform?
- 16 b. Did Robinhood fail to provide the duty of care to its customers when it
17 purposefully, and without prior notice, removed \$GME, \$BB, \$AMC,
18 \$SNDL, \$NOK, \$NAKD and others?
- 19 c. Did Robinhood remove \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD
20 and others to pass harm and risk purposefully and intentionally from
21 their industry partners to its own customers' positions in the Restricted
22 Tickers and benefit itself and its industry partners financial gains?
- 23 d. Did Robinhood violate FINRA Rule 5310, among other FINRA rules,
24 state rules, and federal regulations?
- 25 e. Did Robinhood violate consumer protection laws by failing to disclose
26 that its services would not include the ability to trade on \$GME, \$BB,
27 \$SNDL, \$NOK, \$NAKD, and other tickers, for substantial periods of
28 time?

- f. Did Robinhood breach its legal, regulatory, and licensing requirements by failing to provide adequate access to financial services?
- g. Did Robinhood breach its contracts and/or the implied covenant of good faith and fair dealing in connection with its failure to provide financial services as described herein?
- h. Was Robinhood negligent or grossly negligent by failing to provide financial services in a timely manner due to its own possible nefarious desires, or the desires of industry partners?
- i. Did Robinhood breach its fiduciary duties to its customers by failing to provide adequate access to financial services as promised?
- j. Was Robinhood unjustly enriched by its conduct?
- k. Were Plaintiffs and the other Class members injured by Robinhood's conduct, and if so, the appropriate class-wide measure of damages, restitution, and other appropriate relief, including injunctive relief?
- l. Whether Plaintiff and the other Class members are entitled to injunctive and declaratory relief.

115. **Typicality:** The claims of the named Plaintiff are typical of the claims of the proposed Class in that the named Plaintiff was a customer during the class period and was unable to trade the Restricted Tickers and place time-sensitive trades on \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$BBBY, \$KOSS, \$NAKD, and others and sustained damages as a result of Robinhood's wrongful conduct.

116. **Adequate Representation:** Plaintiffs will fairly and adequately represent the interests of the Class in that he has no conflicts with any other Class

1 members. Plaintiffs have retained competent counsel experienced in prosecuting
2 complex class actions, including those involving financial services, and they will
3 vigorously litigate this class action.
4

5 **117. Predominance and Superiority:** There is no plain, speedy, or adequate
6 remedy other than by maintenance of a class action. A class action is superior to other
7 available means, if any, for the fair and efficient adjudication of this controversy.
8 Prosecution of separate actions by individual Class members would create the risk of
9 inconsistent or varying adjudications, establishing incompatible standards of conduct
10 for the Defendant. Additionally, given the relatively modest damages sustained by
11 most individual members, few, if any, proposed Class members could or would sustain
12 the economic burden of pursuing individual remedies for Robinhood's wrongful
13 conduct. Treatment as a class action will achieve substantial economies of time,
14 effort, and expense, and provide comprehensive and uniform supervision by a
15 single court. This class action presents no material difficulties in management.
16
17
18
19

20 **118.** Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(A)
21 because the prosecution of separate actions by individual members of the proposed
22 Class would create a risk of inconsistent or varying adjudications with respect to
23 individual Class members, which may produce incompatible standards of conduct for
24 Defendants.
25
26

27 **119.** Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(B)
28 because the prosecution of separate actions by individual members of the proposed

1 Class would create a risk of adjudications with respect to individual Class members
2 which may, as a practical matter, be dispositive of the interests of the other members
3 not parties to the adjudications or substantially impair or impede their ability to
4 protect their interests.
5

6 120. The prerequisites to maintaining a class action for injunctive or equitable
7 relief pursuant to Fed. R. Civ. P. 23(b)(2) are met as Robinhood has acted or refused
8 to act on grounds generally applicable to the Class, thereby making final injunctive,
9 declaratory, or equitable relief appropriate with respect to the Class as a whole.
10
11

12 121. Class action certification is also warranted under Fed. R. Civ P. 23(b)(3)
13 because questions of law or fact common to the Class members predominate over any
14 questions affecting only individual members, and a Class action is superior to other
15 available remedies for the fair and efficient adjudication of this controversy. The
16 amount of damages available to the individual Plaintiff is insufficient to make
17 litigation addressing Robinhood's conduct economically feasible for most in the
18 absence of the class action procedure. Individualized litigation also presents a
19 potential for inconsistent or contradictory judgments and increases the delay and
20 expense to all parties and the court system presented by the legal and factual issues of
21 the case. By contrast, the class action device presents far fewer management
22 difficulties and provides the benefits of a single adjudication, economy of scale, and
23 comprehensive supervision by a single court.
24
25
26
27

28 122. Class action certification is also warranted under Fed. R. Civ P. 23(c)(4)

1 because questions of law or fact common to the Class members may be certified and
2 decided by this Court on a class wide basis.
3

4 **XIII.CAUSE OF ACTION – BREACH OF CONTRACT**

5
6 123. Plaintiff incorporates the preceding paragraphs by reference as if set
7 forth fully in this section, namely paragraphs 1 to 68.

8
9 124. To use the Robinhood platform, a potential customer must enter into the
10 Customer Agreement with Robinhood.

11 125. Plaintiffs and all putative Class Members entered into a Customer
12 Agreement with Robinhood.
13

14 126. Robinhood breached the Agreement by failing to not only provide
15 advance notice of removal of heavily traded and highly profitable stock tickers and
16 implementing the strictest restrictions on the same. Robinhood breached its Customer
17 Agreement by, among other things, failing to disclose that its platform was going to
18 randomly pull profitable stocks from its platform at a time they were most profitable;
19 and that Robinhood failed to provide an adequate explanation to their customers; and
20 that Robinhood knowingly put their customers at a disadvantage compared to
21 customers who used other trading apps; and that Robinhood failed to provide access
22 to its own financial incentives to pull the Restricted Tickers including \$GME, \$BB,
23 \$AMC, \$SNDL, \$NAKD AND \$NOK among others; that Robinhood's actions were
24 a direct breach of the Agreement by failing to perform in a timely manner (or at all)
25
26
27
28

1 under the contract; and that Robinhood failed to comply with all applicable legal,
2 regulatory, and licensing requirements; and that Robinhood failed to exercise trades
3 and actions requested by customers.
4

5 127. Robinhood breached its Customer Agreement with Plaintiffs and class
6 members as a result of the aforementioned actions.
7

8 128. Robinhood's failure to perform and its breaches of the Customer
9 Agreement resulted in damages and losses to Plaintiff and Class members and
10 continues to expose them to harm because Robinhood continues to fail to perform
11 under the Customer Agreement. These losses reflect damages to Plaintiff and Class
12 members in an amount to be determined at trial or separate proceedings, as necessary.
13
14

15 **XIV.CAUSE OF ACTION – NEGLIGENCE**

16 129. Plaintiff incorporates the preceding paragraphs by reference as if set
17 forth fully in this section, namely paragraphs 1 to 74.
18

19 130. Robinhood had a duty to exercise reasonable care to not manipulate the
20 market.
21

22 131. Robinhood had a duty to exercise reasonable care in conducting and
23 facilitating transactions for its customers in the open market.
24

25 132. Robinhood breached its duties by removing the Restricted Tickers from
26 its trading platform without prior notice to its users or to the market at large. The
27 removal of the Restricted Tickers not only harmed Plaintiffs and its Class Member
28

1 users, but also harmed those that held shares of the Restricted Tickers in the market at
2 large.

3
4 133. Robinhood essentially abandoned its customers, and in so doing, caused
5 a market effect that drove the price of the Restricted Tickers down and caused
6 Plaintiffs and Class members to suffer damages.

7
8 134. Robinhood showed a wanton and reckless disregard for the effect its
9 actions would have on the Plaintiffs, Class Members, and open market. Moreover,
10 Robinhood did not undertake these actions due to “market volatility” as it later
11 claimed, as these Restricted Tickers were continually traded save a few “halts” by the
12 actual exchanges.

13
14
15 135. Robinhood’s negligence and gross negligence, harmed Plaintiffs, Class
16 Members, and market participants by forcing them to incur significant losses in the
17 marketplace by first removing the Restricted Tickers on January 28, 2021 from the
18 trading platform without notice, and later imposing excessive and unwarranted
19 restrictions on the tickers that in some instances changed, again without notice, from
20 allowing the trading of 115 \$AMC shares in the morning to 1 \$AMC share in the late
21 afternoon on January 29, 2021 and as a result the price decreased.

22
23
24
25 **XV. CAUSE OF ACTION - BREACH OF FIDUCIARY DUTY**

26
27 136. Plaintiff incorporates the preceding paragraphs by reference as if set
28

1 forth fully in this section, namely paragraphs 1 to 81.

2 137. As a licensed provider of financial services, Robinhood at all times
3 relevant herein was a fiduciary to Plaintiff and Class members and owed them the
4 highest good faith and integrity in performing its financial services on their behalf.
5 Robinhood also acted as a fiduciary to each and every customer who agreed to the
6 Customer Agreement.
7

8 138. Robinhood breached its fiduciary duties to Plaintiff and Class members
9 by, among other things, failing to disclose that its platform was going to remove
10 \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD, \$WKHS and other purchases in a
11 timely manner; actually removing \$GME, \$BB, \$AMC, \$SNDL, \$NOK,
12 \$BBBY, \$KOSS, \$NAKD and others; removing \$GME, \$BB, \$AMC, \$SNDL,
13 \$NOK, \$BBBY, \$KOSS, \$NAKD and others for its own pecuniary benefits; that
14 Robinhood failed to provide access to its financial services in a timely manner; that
15 Robinhood failed to comply with all applicable legal, regulatory, and licensing
16 requirements; and that Robinhood failed to exercise trades and actions requested by
17 customers in a complete and timely manner (also required by FINRA Rule 5310).
18

19 139. Robinhood's conduct has caused Plaintiff and Class members' harm,
20 losses, and damages and continues to expose them to harm because Robinhood
21 continues to breach its fiduciary duties. These losses reflect damages to Plaintiff and
22 Class members in an amount to be determined at trial or separate proceedings, as
23 necessary.
24
25
26
27
28

XVI. CAUSE OF ACTION - BREACH OF
DUTY OF GOOD FAITH AND FAIR
DEALING

140. Plaintiff incorporates the preceding paragraphs by reference as if set forth fully in this section, namely paragraphs 1 to 85.

141. Plaintiffs and members of the Class and Subclass entered into the Customer Agreement with Defendant Robinhood to open a Robinhood trading account. They agreed to Robinhood's Terms and Conditions by using Robinhood's website and trading platform.

142. Plaintiffs and members of the Class and Subclass fulfilled their obligations under these contracts by adhering to their terms and using Robinhood's trading services through its website and trading platform.

143. Robinhood was obligated to provide the trading services required under those contracts at all times, including but not limited to, trades for \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$KOSS, \$NAKD, and later \$WKHS and others.

144. When initially signing up for Robinhood, Plaintiff and all those similarly situated could and most actually did trade \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$KOSS, \$NAKD, and later \$WKHS and others.

145. Robinhood unfairly interfered with the rights of Plaintiffs and members of the Class and Subclasses to receive the benefits of the Customer Agreement by, among other things, (i) failing to provide services necessary to carry out a trade; (ii)

1 failing to provide certain trading services whatsoever; (iii) failing to inform
2 individuals in a timely member of the drastic changes in trading abilities; and (iv)
3 prohibiting plaintiffs from buying GME for Robinhood's own pecuniary interest and
4 not disclosing those interest to Plaintiffs and all Class and Subclasses members.
5

6 146. Robinhood's conduct has caused Plaintiffs and members of the Class and
7 Subclass harm, losses, and damages. These losses reflect damages to Plaintiffs and
8 members of the Class and Subclass in an amount to be determined at trial or separate
9 proceedings, as necessary.
10
11

12 **XVII.BREACH OF EXPRESS AND IMPLIED WARRANTIES**

13

14 147. Plaintiff incorporates the preceding paragraphs by reference as if set
15 forth fully in this section, namely paragraphs 1 to 92.
16

17 148. Robinhood warranted that their trading platform would provide access to
18 the stock market, and that by using it, its users would be able to buy and sell shares.
19

20 149. On January 28 & 29 of 2021, Robinhood breached those warranties by
21 preventing and prohibiting its users to buy shares in the Restricted Tickers.
22 Meanwhile the rest of the market was able to buy, short sell, and trade those
23 securities.
24

25 150. As a direct result of Robinhood's breaches, Plaintiffs and Class Members
26 were harmed and sustained damages.
27
28

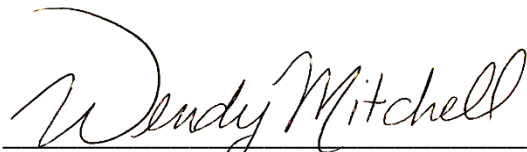
XVIII. RELIEF REQUESTED

WHEREFORE each Plaintiffs and Class Members pray for judgment against Robinhood and, as appropriate to each cause of action alleged and as appropriate to the standing of Plaintiffs, as follows:

1. Immediate injunction requiring Robinhood to reinstatement of all the retail tickers in question on their trading platform;
2. An award for Plaintiffs and Class Members' damages;
3. An award for attorney's fees and costs;
4. Punitive or exemplary damages according to proof; and
5. prejudgment interest;
6. post-judgment interest;
7. for such other and further relief as this Court may deem just and proper.

Dated: January 27, 2023.

Respectfully submitted,



Wendy A. Mitchell (CA SBN 158553)
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and

Nicholas R. Farnolo (*pro hac vice*
anticipated)

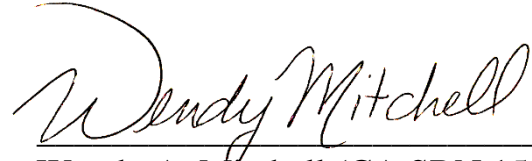
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DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury on all issues which may be tried by a jury.

Napoli Shkolnik PLLC

Dated: January 27, 2023.



Wendy A. Mitchell (CA SBN 158553)
Attorneys for Plaintiff